

FISCAL IMPACT STATEMENT ON BILL NO. ***H.3032, as Amended***
(Doc. No. 18642mm07.doc)

TO:	The Honorable James H. Harrison, Chairman, House Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Ken Brown, Allan Kincaid, Rodney Grizzle, Beth Campbell, Torina Wood and Harry Bell		
DATE:	June 6, 2007	SBD:	2007400

AUTHOR:	Representative Viers	PRIMARY CODE CITE:	12-6-1175
SUBJECT:	Illegal Immigration Reform		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

House Bill 3032, as amended, would add several chapters to the Code of Laws of South Carolina regarding such areas as illegal aliens and public employment, enforcement of federal immigration and custom laws, verification of lawful presence in the United States, verification of nationality of prisoners and registration of immigration assistance services.

EXPLANATION OF IMPACT:

State Budget and Control Board - Statewide

Section 3 of the Bill requires public employers and those who contract with public agencies to participate in a federal work authorization program for employment verification. Currently, employers may participate in this program without charge. However, if the number of employers using the system continues to grow, there is a potential that a charge would be required for participation. This could result in additional cost to state agencies along with costs for training employees.

In addition, state and local governmental entities may experience increased costs from government contractors as they increase costs for participating in the employee verification program. With increased costs to contractors, this may result in fewer contractors seeking business with the state and local governments thereby impacting the costs for services.

Department of Labor, Licensing and Regulation

The Department reports that it would require 2.10 new FTEs for 0.10 Administrator, 1.00 Investigator, and 1.00 Administrative Specialist at an annual cost to the General Fund of \$118,080 for salary, fringe and other operating expenses. There would also be a cost to the General Fund of \$15,000 for translation services for interviews and document analysis. It is assumed this would impact General Fund expenditures since there is no reference in the Bill to the collection of fees in return for registration.

Attorney General's Office

The Office reports that it would require 2.00 new FTEs for 1.00 Attorney III and 1.00 Administrative Assistant at an annual cost to the General Fund of \$131,020 for salary, fringe and other operating expenses.

Employment Security Commission

The Commission reports there are approximately 100,000 employers statewide. This Bill would require two separate mailings at a total one-time cost of \$92,874. This cost includes \$3,020 in mailing supplies (i.e., paper and envelopes), \$6,600 in contractual services to fold and stuff mailings and address envelopes, \$1,254 in other personal service expenses, and \$82,000 in postage for 200,000 mailings. It is assumed additional General Funds would be required to fulfill the requirements of the Bill.

Administrative Law Court

The Court would be responsible for hearing all contested cases in accordance with the provisions of Chapter 23 of Title 1 of the South Carolina Code of Laws. Because there is no historical information on the number of cases this Bill may produce, the Court cannot determine if it would be able to absorb these costs or if additional funding would be needed.

State Law Enforcement Division

Based on a review of this Bill and pending the level of enforcement, the number of agents required to implement the provisions of this Bill cannot be determined at this time. The annual cost to the General Fund of the State for each agent is approximately \$65,774 with a one-time cost of \$42,900 for vehicle and equipment.

Commission on Minority Affairs

The Commission indicates that this Bill would require additional General Funds of the State totaling \$132,900. Recurring costs are estimated to total \$110,500 and would cover salary and benefits of \$64,598 for a Program Coordinator position and operating expenses of \$45,902 to cover translation services, legal services, printing/marketing expenses, training and technical assistance. One-time costs of \$22,400 would be needed to cover computer and data base equipment and associated software.

Law Enforcement Training Council

The Council indicates this Bill will have minimal to no impact on the General Fund of the State. The training of law enforcement officers in the area of Federal Immigration enforcement will be dependent on funding from the Department of Home Land Security.

Department of Revenue

The Department reports this Bill will have a cost of between \$10,000 and \$20,000 to the General Fund of the State for forms design and increased enforcement activities.

Judicial Department

The Department indicates this Bill will have an impact on the General Fund of the State in cost associated with the addition of Circuit Court Judges and staff to handle additional cases the Department anticipates upon enactment. However, the number of additional cases to be processed is unknown. If the number of civil lawsuits and criminal cases became significant, case processing of all cases in circuit court would be affected. The cost associated with the addition of one (1) new Circuit Court Judge and staff (administrative assistant, court reporter and law clerk) is approximately \$347,327 for personal services and associated operating expenses and \$20,510 of non-recurring cost for automation and furniture. The addition of a new judge would also require more courtroom space, an expense borne by county government.

Department of Corrections

The Department indicates enactment will have no impact on expenditures or a minimal impact which can be absorbed at the current level of funding.

Recapitulation

Total first year impact on the General Fund of the State associated with this Bill is estimated at \$981,385 assuming only one additional Circuit Court Judge would be needed. Annual impact thereafter is estimated at \$787,701. However, these estimates do not include potential indirect cost associated with the employee verification program contained in Section 3. Costs will be greater if additional judges are needed.

LOCAL GOVERNMENT IMPACT:

Three local governments indicated enactment would have little or no impact on expenditures. One estimated the impact at \$125,000 while another estimated costs may reach \$500,000.

SPECIAL NOTES:

None.

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive style with a large, looped "H" and "B".

Harry Bell

Assistant Director, Office of State Budget